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Chance Encounter Linked to Soviet Spy Case

JACKSONVILLE, Fla., July 17 (UPI) — Agents of the Federal Bureau of Investigation stumbled on Joseph George Helmich last August when a Soviet K.G.B. agent whom they were trailing met the former Army warrant officer to discuss a final payment for military coding secrets supplied in 1963 and 1964, according to American intelligence sources.

After identifying Mr. Helmich, the sources said yesterday, the bureau agents found that suspicions had been raised about him in 1964 when he was with the Army Signal Corps and assigned to the United States Embassy in

Paris. He was questioned then, but no wrongdoing was established.

The sources said that in 1963 and 1964, when Mr. Helmich was believed to have been supplying the Soviet Union with technical data about the KL-7 Cryptosystem, a top-secret coding machine, Soviet agents promised him a final payment in 1980 or 1981, if he was still alive.

This may have been in anticipation that Mr. Helmich would not always have access to secret information, they said.

The indictment that was returned Tuesday night by a Federal grand jury here contends that Mr. Helmich re-

ceived \$131,000 from Soviet agents from January 1963 to July 1964.

It also accuses Mr. Helmich of meeting with Soviet agents last year and planning a trip "in order that he might claim and obtain certain monies and funds, which had been agreed would be held for him as future payment for past activities and information."

There is no mention in the indictment that Mr. Helmich provided Soviet agents with any military coding secrets after 1964. He left the Army in 1966, and presumably had lost his access to such secrets.

Mr. Helmich, who seldom stayed on one job more than two or three years, talked about "coming into a lot of money" to at least one of his former employers, Bobby Hudson, manager of the Color Tile Company of Niagara Falls, N.Y., where Mr. Helmich worked up until six weeks ago.

"He said he was going into semi-retirement until he got a hold of the money," Mr. Hudson said. "It seems he was under a lot of pressure. Something wasn't going right for him."

Mr. Helmich left Niagara Falls for Jacksonville Beach, where his parents, Mr. and Mrs. R. A. Janin, live. He and his wife and their child moved in with the Janins in an upstairs apartment, where he was arrested Wednesday morning by F.B.I. agents.

Yesterday, Mr. Helmich pleaded not guilty to one count of conspiracy and three counts of espionage. United States Magistrate Howard Snyder set trial for Sept. 14. Bond of \$300,000 remained in effect.